

City of Westminster Pension Fund

Appendix 1

Business Plan and Actions for 2023/24

The Myners Report to HM Treasury, published in March 2001, recommended that local authority pension funds should approve an annual business plan in respect of the objectives required for the next one to three years.

Estimates are based on current investment allocations and expected expenses based on historic information and available forecasts. Investment allocations are subject to changes in market value, impacting management expenses. Future property acquisition costs will also impact associated expenditure.

The strategic medium-term objectives for the Fund are grouped under the following headings:

- Administration
- Communication
- Actuarial/Funding
- Pension Fund Committee Members
- Financial and Risk Management
- Investment
- Local Pension Board

To help meet our objectives a timetable of performance indicators has been agreed and an outturn report will be presented to the Pension Fund Committee to update Members on progress.

2023/24 Forecast Budget

	Company Name (If Applicable)	2020/21	2021/22	2022/23	2023/24
		Actual	Actual	Actual	Budget
		£000	£000	£000	£000
Administration					
	Employee Recharge	308	359	302	305
	Legal Costs	23	13	31	22
	Administrator*	332	531	399	449
	Pension Project Costs	-	617	25	43
	Various Admin**	318	97	19	54
		981	1,617	776	873
Governance and oversight					
	Finance Employee Recharge	236	228	226	237
	Training	-	1	1	5
	Investment advisory services	92	101	75	90
	Various O&G***	43	39	34	38
	External audit	25	29	35	35
	Actuarial fees	32	12	17	20
		428	410	388	425

Investment Management					
Management, Performance and Transaction fees		8,624	11,234	11,846	12,468
Custody/Management fees	Northern Trust	54	48	54	54
		8,678	11,282	11,900	12,522
Total		10,087	13,309	13,064	13,820

*For 2023/24, includes £424k administrator and a membership increase cost trigger of £25k

**Includes Aquila Heywood's Altair software maintenance/licence fees up to 2020/21 (5-year licence fee paid during 2020/21), scheme member tracing, GMP, website license and bank charges

***Includes subscription fees/other services, i.e., CIPFA Pensions Network, LGA, Pensions Lifetime and Savings Association, Pensions and Investment Research Consultants

Administration and Communication

The Pension Fund is governed by the Public Service Pensions Act 2013 and administered in accordance with secondary legislation.

The administration of the Fund has been undertaken by Hampshire Pension Services.

Administration			
Objective(s) - to ensure scheme is run in accordance with the rules; in accordance with agreed service standards; and in compliance with regulations - to deal with and rectify any errors and complaints in a timely way			
Action	Description	Timescale	Primary Responsibility
1	Pension Fund Committee to receive pension administration key performance indicators (KPIs) report on a quarterly basis.	Ongoing with reports due at each committee meeting	Lee Witham/Sarah Hay
2	Pension Fund Committee to receive the Pension Fund Annual Report.	29 June 2023	Phil Triggs/Mathew Dawson/Billie Emery
3	Ensure that any complaints against action or inaction by pension staff are dealt with in a timely manner.	Ongoing	Lee Witham/Phil Triggs
4	Review the content of the Pension Fund website to ensure it is relevant and kept up to date.	Ongoing	Sarah Hay/Diana McDonnell-Pascoe
5	Discuss/meet with Hampshire CC and report to the Pension Fund Committee.	Monthly	Sarah Hay
6	Mortality screening to identify deceased individuals.	Ongoing	Sarah Hay

Communication			
Objective(s) - to convey the security of the Scheme - to ensure members understand and appreciate the value of their benefits			
Action	Description	Timescale	Primary Responsibility
1	Ensure communication material complies with current legislation and effectively communicates the benefits of the scheme to members and employers. Ensure communication material is amended to comply with the requirements of the new regulations/legislation.	Ongoing	Lee Witham/Sarah Hay
2	Communication on a timely basis of material scheme changes to Pension Fund Committee, employer bodies and members.	Ongoing	Phil Triggs/Lee Witham/Sarah Hay
3	Prepare Pension Fund Annual General Meeting and receive feedback from employers.	TBC	Phil Triggs
4	Communicate actuarial valuation to all employers.	Triennial: March 2026	Sarah Hay
5	Provide employers with actuarial accounting briefing note.	Scheduled and admitted bodies: 31 March Academies: 31 August	Billie Emery

Actuarial /Funding:

The Fund is responsible for commissioning triennial actuarial valuations of the Pension Fund regarding the funding status and level of employers' contributions necessary to fully fund the Pension Fund.

Actuarial/Funding			
Objective(s) - to monitor the funding level of the Scheme including formal valuation every three years - to monitor and reconcile contribution payments to the Scheme by the employers and scheme members - to understand legislative changes which will impact on funding			
Action	Description	Timescale	Primary Responsibility
1	Provide employers with IAS19/FRS102 funding statements when requested.	Scheduled and admitted bodies: 31 March Academies: 31 August	Billie Emery
2	Report the funding level of the Fund to the Pension Fund Committee every quarter.	Ongoing with reports due at each committee meeting	Mathew Dawson/Billie Emery
3	Monitor and reconcile employer contributions remittances with the bank statement.	Ongoing	Alastair Paton
4	Member training covering actuarial funding issues.	Ongoing	Phil Triggs/Patrick Rowe
5	New employers admitted into the fund, including bonds, admission agreements and initial funding level.	Ongoing	Sarah Hay

Pension Fund Committee

Investment allocation decisions are delegated to the Pension Fund Committee who oversees the management of the Fund's assets. The Committee appoints fund managers and advisors to assist in reviewing the overall strategic asset allocation, ensuring its suitability and the diversification of assets.

Pension Fund Committee Members			
Objective(s) - to train and develop all members to enable them to perform duties effectively - to meet quarterly and to include investment advisor and independent advisors as required - to run meetings efficiently and to ensure decisions are made clearly and effectively			
Action	Description	Timescale	Primary Responsibility
1	Review Pension Fund Committee member training requirements and implement training plan as appropriate.	Ongoing	Phil Triggs/Patrick Rowe
2	Ensure that meeting papers are issued at least seven days prior to meeting.	Every meeting	Phil Triggs/Lee Witham
3	Ensure that governance process remains in line with revised Myners/CIPFA principles to ensure 100% compliance.	Ongoing	Phil Triggs/Patrick Rowe
4	Ensure that Committee is kept fully up to date with the DLUHC asset pooling guidance.	Ongoing	Phil Triggs

Financial & Risk Management/ Investment

In line with the best practice and the Pension Regulator's Code of Practice, the Pension Fund maintains a risk register to identify and monitor short-term and long-term risks to the Fund.

Investment assets are managed by external investment managers, with segregated assets held by an independent global custodian.

Financial & Risk Management			
Objective(s) - to properly record financial transactions to and from the Scheme and produce annual report and accounts within six months of year end - monitor investment adviser fees against budget - assess the risk associated with the management of the Scheme			
Action	Description	Timescale	Primary Responsibility
1	Monitor Pension Fund expenses for the year against budgeted.	Ongoing: 2023/24	Phil Triggs/Billie Emery
2	Produce Annual Statement of Accounts and achieve an unqualified audit.	31 May	Phil Triggs/Mathew Dawson/Billie Emery
3	Produce Pension Fund Annual Report.	30 June	Phil Triggs/Mathew Dawson/Billie Emery
4	Ensure ongoing risk assessments of the management of the Fund.	Ongoing and reported to every committee meeting	Phil Triggs/Mathew Dawson/Billie Emery
5	Review of the MiFID documents to ensure the Fund retains professional status.	Ongoing	Billie Emery

Investment			
Objective(s) - periodically review investment strategy and benchmarks - monitor performance against benchmarks - maintain contact with pool and investment managers			
Action	Description	Timescale	Primary Responsibility
1	Annual consideration of CIPFA/Myners principles.	As part of ISS: 30 June	Phil Triggs
2	Discuss/meet with London CIV and report to Pension Fund Committee.	Quarterly: 2023/24	Phil Triggs/Matt Hopson
3	Pension Fund Committee to receive quarterly investment monitoring reports.	Ongoing and reported to every committee meeting	Phil Triggs/Mathew Dawson/Billie Emery
4	Respond to all government consultations and report to the Pension Fund Committee as necessary.	Ongoing	Phil Triggs/Lee Witham
5	Continue to implement pooling as per DLUHC pooling guidance.	Ongoing	Phil Triggs

Local Pension Board

Under Section 5 of the Public Service Pensions Act 2013 and Regulation 106 of the LGPS Regulations 2013, a Local Pension Board must be established and maintained. The Pension Board meets up to four times a year and assists in the governance and administration of the Fund.

Local Pension Board			
Objective(s)			
- to ensure the Local Pension Board is constituted and functions within the regulations			
- to help facilitate the effective operation of the Local Pension Board			
Action	Description	Timescale	Primary Responsibility
1	Reasonably comply with any requests from the Local Pension Board with regard to any aspect of the Scheme Manager function.	Ongoing	Phil Triggs/Lee Witham
2	Give due consideration to recommendations made to the Pension Fund Committee from the Local Pension Board and respond to the Local Pension Board within a reasonable period of time.	Ongoing	Phil Triggs/Lee Witham
3	Provide Local Pension Board members access to training offered to Pension Fund Committee members.	Ongoing	Phil Triggs/Mat Dawson
4	Invite members of the Local Pension Board to attend Pension Fund Committee meetings.	Ongoing	Phil Triggs/Mat Dawson